

Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	193.44	0.00	0.00	193.44	0.00	0.00	193.44	193.44
Personal Services	6,878,677	938,994	0	7,817,671	952,592	0	7,831,269	15,648,940
Operating Expenses	5,100,488	350,126	337,112	5,787,726	339,097	250,000	5,689,585	11,477,311
Equipment	69,036	0	85,000	154,036	0	0	69,036	223,072
Grants	7,226,930	137,721	1,167,000	8,531,651	137,721	567,000	7,931,651	16,463,302
Benefits & Claims	175,529,268	10,304,152	24,815,402	210,648,822	13,130,367	12,375,736	201,035,371	411,684,193
Transfers	0	0	0	0	0	0	0	0
Debt Service	15,912	0	0	15,912	0	0	15,912	31,824
Total Costs	\$194,820,311	\$11,730,993	\$26,404,514	\$232,955,818	\$14,559,777	\$13,192,736	\$222,572,824	\$455,528,642
General Fund	37,464,018	8,309,004	4,297,632	50,070,654	9,092,928	1,273,457	47,830,403	97,901,057
State/Other Special	14,355,230	3,612,457	4,704,086	22,671,773	4,748,598	3,388,428	22,492,256	45,164,029
Federal Special	143,001,063	(190,468)	17,402,796	160,213,391	718,251	8,530,851	152,250,165	312,463,556
Total Funds	\$194,820,311	\$11,730,993	\$26,404,514	\$232,955,818	\$14,559,777	\$13,192,736	\$222,572,824	\$455,528,642

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Legislative Budget Analysis, B-170

Funding

Long-term care and aging services are funded by a combination of general fund, state special revenue, and federal funds. General fund supports the state share of Medicaid costs, some adult protective services and aging services functions. Biennial general fund amounts for these functions are:

- State match for long-term Medicaid services, including administrative costs - \$89 million
- Adult protective services staff and some emergency services - \$3 million
- Aging services, including one-time expansions for Meals on Wheels and in-home caregiver services - \$6.0 million

Major sources of state special revenue, the biennial appropriation and what each pays for are:

- County funds for state match for the nursing home Medicaid intergovernmental transfer (IGT) – about \$16 million
- Nursing home bed tax revenues for state match to support additions to nursing home rates above the FY 2003 level – about \$9 million
- I-149 tobacco taxes from the Health and Medicaid Initiatives Account for state match for Medicaid rate increases for nursing home and community services providers and direct care worker wages increases for their employees, and a community based waiver expansion – about \$7 million
- Cigarette taxes for veterans' services, predominantly the cost of operating the two Montana veterans' homes – about \$5 million
- Payments by veterans for their care in veterans' nursing homes – about \$5 million
- Tobacco tax revenues (I-149) used for state Medicaid match to support direct care worker wage increases, an expansion in the community based waiver, and state match for Medicaid hospice and home health therapy services – about \$2 million
- Interest income from the tobacco settlement funds constitutional trust for state match for Medicaid – about \$1.0 million
- Recoveries for a portion of long-term care costs from liens and estates used for adult protective services – about \$1 million
- Conference fees to pay part of aging conferences and donations for traumatic brain injury services – all together about \$0.1 million

Federal funds support 68 percent of the 2007 biennium budget request. Federal Medicaid matching funds for services and administration are the single largest funding source for SLTC supporting 64 percent (\$28 million) of the total biennial appropriation. Other federal funding sources, what each pays for, and the biennial appropriations are:

- Aging grants for other services including funds for care giver, ombudsman, older worker, preventive health, health counseling, training, abuse prevention, administration of community services agencies, and farmers' market services –about \$8 million
- Grants for meals and feeding services for elderly – about \$7 million
- Veterans' administration payments for veterans' home services – about \$7 million

Program Narrative

In general, the legislature accepted the executive budget request for the Senior and Long Term Care Division with a few notable differences:

- A reduction of \$6 million total funds, including \$2 million general fund, due to approval of the legislative estimates for nursing home utilization
- An increase in the home and community based waiver that is estimated to serve an additional 112 persons in FY 2007 – a biennial increase of \$4 million total funds, including \$1 million general fund
- An increase for direct care worker wages and provider rates of \$13 million total funds, including \$3 million general fund and \$1 million tobacco tax state special revenue (I-149)
- One-time increases of \$1.1 million general fund to expand Meals on Wheels and in-home caregiver services
- An increase of \$0.12 million general fund for Meals on Wheels
- A one time appropriation of \$50,000 in cigarette tax state special revenue to support a study of long term care needs for veterans

The legislative initiatives to fund direct care worker wage increases, provider rate increases, and community aging services are explained in greater detail in the agency overview.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments											
-----Fiscal 2006-----					-----Fiscal 2007-----						
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services					1,059,103					1,073,502	
Vacancy Savings					(317,510)					(318,087)	
Inflation/Deflation					5,862					3,894	
Fixed Costs					126,450					93,371	
Total Statewide Present Law Adjustments					\$873,905					\$852,680	
DP 16 - Medicaid Caseload - Home Based Services											
	0.00	1,126,672		0	2,104,065	3,230,737	0.00	1,380,631	0	2,626,745	4,007,376
DP 21 - Medicaid Caseload - Nursing Homes											
	0.00	(438,545)		0	(1,058,707)	(1,497,252)	0.00	(893,443)	0	(2,092,664)	(2,986,107)
DP 22 - State Supplement Caseload Increase											
	0.00	32,448		0	0	32,448	0.00	32,448	0	0	32,448
DP 24 - FMAP Enhancement Adjustment - Nursing Homes											
	0.00	2,972,470		0	(2,972,470)	0	0.00	2,972,470	0	(2,972,470)	0
DP 27 - FMAP Enhancement Adjustment - Home Based Services											
	0.00	569,730		0	(569,730)	0	0.00	569,730	0	(569,730)	0
DP 28 - FMAP Enhancement Adjustment - Waiver Services											
	0.00	507,274		0	(507,274)	0	0.00	507,274	0	(507,274)	0
DP 30 - FMAP Adjustment - Nursing Homes											
	0.00	2,447,917		0	(2,447,917)	0	0.00	3,182,292	0	(3,182,292)	0
DP 33 - FMAP Adjustment - Home Based Services											
	0.00	490,189		0	(490,189)	0	0.00	615,730	0	(615,730)	0
DP 34 - FMAP Adjustment - Waiver Services											
	0.00	417,755		0	(417,755)	0	0.00	543,081	0	(543,081)	0
DP 88 - Annualize HB 705 Nursing Home Fee											
	0.00	0	1,147,719	2,770,749	3,918,468	0.00	0	1,172,406	2,746,062	3,918,468	
DP 89 - County Nursing Home IGT Increase											
	0.00	0	1,353,125	3,266,626	4,619,751	0.00	0	2,440,928	5,717,254	8,158,182	
DP 91 - FMAP Enhancement Adjustment - Nursing Home IGTs											
	0.00	0	362,163	(362,163)	0	0.00	0	362,163	(362,163)	0	
DP 93 - Montana Veterans' Home Adjustments											
	0.00	0	295,821	0	295,821	0.00	0	295,821	0	295,821	
DP 94 - FMAP Adjustment - County Nursing Home IGTs											
	0.00	0	298,251	(298,251)	0	0.00	0	387,727	(387,727)	0	
DP 106 - Annualize Traumatic Brain Injury Funds											
	0.00	0	8,117	0	8,117	0.00	0	8,117	0	8,117	
DP 173 - Increased Funding For Caregiver Program											
	0.00	0	0	137,721	137,721	0.00	0	0	137,721	137,721	
DP 175 - Additional Funding-Eastern Montana Veterans' Home											
	0.00	0	0	148,236	148,236	0.00	0	0	172,254	172,254	
DP 9999 - Statewide FTE Reduction											
	0.00	(36,959)	0	0	(36,959)	0.00	(37,183)	0	0	(37,183)	
Total Other Present Law Adjustments											
	0.00	\$8,088,951	\$3,465,196	(\$697,059)	\$10,857,088	0.00	\$8,873,030	\$4,667,162	\$166,905	\$13,707,097	
Grand Total All Present Law Adjustments					\$11,730,993					\$14,559,777	

DP 16 - Medicaid Caseload - Home Based Services - The legislature approved the executive request for \$7.2 million total funds, including \$2.5 million general fund, over the biennium for Medicaid caseload growth in the home based services program. This service array includes the hospice, home health, and personal assistance benefits. Caseload estimates grow about 3 percent annually due to demographic trends and increased utilization of these services.

DP 21 - Medicaid Caseload - Nursing Homes - The legislature accepted legislative staff estimates of nursing home costs, reducing the executive request \$1.3 million general fund (\$4.5 million total funds) over the biennium. The legislative staff estimates are based on a 1 percent annual decline in the number of days of care each year of the 2007 biennium, starting from the FY 2005 estimate. Both the executive and legislative estimates were based on the same federal and state

share of the nursing home rate - \$97.38. The other two components of the total Medicaid payment for nursing home services includes the patient contribution and an add on from the county IGT. Currently the program provides services to about 5,250 people each year (unduplicated count). The legislature applied the general fund savings that resulted from adoption of the legislative estimates to the home and community based waiver program to provide additional services (see DP 81).

DP 22 - State Supplement Caseload Increase - The legislature added about \$65,000 general fund over the biennium to pay the state Social Security supplemental payment for Medicaid eligible persons residing in the community. The request is based on the Travis D. lawsuit that was settled in February 2004. The terms of the mediation settlement agreement between the executive branch and the plaintiffs requires the department to move at least 45 individuals from the Montana Developmental Center (MDC) into community services by December 2007. The first group of 26 are scheduled to be placed in community services by the end of FY 2005, then the final 19 persons would transition starting July 2007 through Dec 2007.

The legislature stated its intent that if community services are expanded during the 2007 biennium beyond the anticipated levels in HB 2, that the division expanding the community services will transfer funds to support state supplement payments above the level appropriated to the Senior and Long Term Care Division in HB 2.

DP 24 - FMAP Enhancement Adjustment - Nursing Homes - The federal Jobs and Growth Tax Relief Reconciliation Act authorized a temporary increase of about 3 percent in the federal Medicaid match rate during FY 2004 and therefore a like state match decrease. The legislature added nearly \$5.9 million general fund over the biennium for nursing home services, with an offsetting decrease in federal funds, to reflect the removal of the enhanced federal match rate in FY 2006 and FY 2007. DP 27, DP 28, and DP 91 also adjust for one-time federal match rate changes to fund Medicaid home based and community waiver services.

DP 27 - FMAP Enhancement Adjustment - Home Based Services - The legislature added \$1 million general fund over the biennium, with an offsetting decrease in federal funds, to reflect the termination of the enhanced federal Medicaid match rate in FY 2006 and FY 2007 for home based services. DP 24, DP 28, and DP 91 make similar adjustments for the other Medicaid services administered by this division.

DP 28 - FMAP Enhancement Adjustment - Waiver Services - The legislature added about \$1 million general fund over the biennium for community based waiver services, with an offsetting decrease in federal funds, to reflect the removal of the enhanced federal match rate in FY 2006 and FY 2007. DP 24, DP 27, and DP 91 are similar and show match rate changes for each Medicaid service administered by the division.

DP 30 - FMAP Adjustment - Nursing Homes - The legislature added \$5.6 million general fund over the biennium for nursing home services, with an offsetting decrease in federal funds, due to projected changes in the federal Medicaid match rates for FY 2006 and FY 2007. Federal match rates are adjusted annually based on changes in a state's per capita income compared changes in national per capita income. DP 33, 34, and 94 are similar, in that each one requests an increase in general fund and a reduction in federal funds for the annual change in the federal Medicaid match rate for the three Medicaid services administered by SLTC.

DP 33 - FMAP Adjustment - Home Based Services - The legislature added about \$1.0 million general fund over the biennium for home based services, with an offsetting decrease in federal funds, due to change in the federal Medicaid match rate for FY 2006 and FY 2007. DP 30, 34, and 94 are similar, in that each one requests an increase in general fund and a reduction in federal funds for the change in the federal Medicaid match rate for the three Medicaid services administered by SLTC.

DP 34 - FMAP Adjustment - Waiver Services - The legislature approved about \$1.0 million general fund over the biennium for waiver services, with an offsetting decrease in federal funds, due to annual changes in the federal Medicaid match rate for FY 2006 and FY 2007. DP 30, 33, and 94 are similar, in that each one requests an increase in general fund and a reduction in federal funds for the change in the federal Medicaid match rate for the three Medicaid services administered by SLTC.

DP 88 - Annualize HB 705 Nursing Home Fee - The legislature approved the executive request for \$7.8 million, including \$2.3 million state special revenue, over the biennium for the FY 2005 increase in the daily nursing home rate due to the increase in the nursing home bed tax. The fee, authorized by 15-60-102(1)(b) and (c), MCA (HB 705 in the 2003 session), may only be used to pay nursing home rates in excess of the rate paid in FY 2003 (15-60-211(2), MCA), which was \$83.65 for the state/federal share. The anticipated revenue in FY 2005 is estimated to provide an additional \$4 per day above the rate paid in FY 2004. The Medicaid nursing home base rate, as revised in February 2005, was \$94.26 in FY 2004 and is expected to rise to \$97.38 in FY 2006, not including patient contribution or Intergovernmental Transfer (IGT) revenue. Bed tax rates and deposit of revenue authorized in statute are as follows:

- \$2.80 per day – deposited to the general fund
- Effective FY 2004 an additional \$1.70 - deposited to the state special revenue account for a total daily rate of \$4.50
- Effective FY 2005 an additional \$0.80 - deposited to the state special revenue account for a total daily rate of \$5.30

DP 89 - County Nursing Home IGT Increase - The legislature approved the executive request for \$13 million over the biennium for the increase between FY 2004 and FY 2005 in Intergovernmental Transfer (IGT) revenue for nursing homes. The IGT program was originally authorized by the 2001 Legislature. \$4 million of the total is derived from state special revenue from local governments that support county nursing homes and participate in the IGT program, with the remainder from federal funding. The legislature restricted the appropriation for use only for a county nursing home IGT.

DP 91 - FMAP Enhancement Adjustment - Nursing Home IGTs - The federal Jobs and Growth Tax Relief Reconciliation Act temporarily increased the federal Medicaid match rate about 3 percent in FY 2004. The legislature added \$724,326 county state special revenue over the biennium for the county nursing IGT, with an offsetting decrease in federal funds, to reflect the removal of the enhanced federal match rates in FY 2006 and FY 2007. DP 24, DP 27, and DP 28 are similar.

DP 93 - Montana Veterans' Home Adjustments - The legislature approved the executive request for \$591,642 in cigarette tax state special revenue over the biennium for current level services at the Montana Veterans' Home (MVH). These services include holiday worked, overtime, and differential pay to staff a 24-hour a day, 7 day a week facility. These items are zero based and must be requested each biennium. The request also includes increases for drugs, medical services, food, janitorial services and other costs as well as payment of the increased nursing home bed fee.

The legislature added language to HB 2 directing the division to formulate a plan to help recruit and retain direct care staff at the home and to report on the plan and outcomes to the Legislative Finance Committee.

DP 94 - FMAP Adjustment - County Nursing Home IGTs - The legislature added \$0.7 million state special over the biennium for the nursing home IGT, with an offsetting decrease in federal funds, due to projected reductions in the federal Medicaid match rates in FY 2006 and FY 2007. DP 30, DP 34, and DP 33 are similar.

DP 106 - Annualize Traumatic Brain Injury Funds - The legislature added \$16,000 state special revenue over the biennium to annualize revenue and expenditures from HB 698, which was passed in the 2003 legislative session and became effective on January 1, 2004. Revenue is received from a check off on license plate renewals (61-3-303(1)(f), MCA) and is used to support an advisory council on traumatic brain injury.

DP 173 - Increased Funding For Caregiver Program - The legislature added \$275,442 in federal spending authority over the biennium for increased funding of the Caregiver Program. This program provides information, assistance, education, and support for family caregivers, which includes grandparents raising grandchildren. It also provides for respite care and some limited short-term support services.

DP 175 - Additional Funding-Eastern Montana Veterans' Home - The legislature added \$320,490 in federal reimbursement over the biennium due to anticipated increases in the reimbursement received for nursing services from the Veterans' Administration for services at the Eastern Montana Veterans' Home.

DP 9999 - Statewide FTE Reduction - The legislature accepted the executive proposal to reduce funding equivalent to the reductions taken in the 2003 legislative session, but did not accept the reduction in FTE slots as proposed.

New Proposals

New Proposals											
-----Fiscal 2006-----						-----Fiscal 2007-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 81 - Expand Community Based Services Waiver	22	0.00	447,173	28,248	1,147,728	1,623,149	0.00	0	797,581	1,868,134	2,665,715
DP 95 - Montana Veterans' Home Contingency Fund Line Item	22	0.00	0	250,000	0	250,000	0.00	0	250,000	0	250,000
DP 114 - Personal Assistance Base Restoration	22	0.00	223,196	0	538,825	762,021	0.00	227,997	0	534,024	762,021
DP 116 - Montana Veterans' Home Replacement Vehicles	22	0.00	0	85,000	0	85,000	0.00	0	0	0	0
DP 118 - Eastern Montana Veterans' Home Flooring	22	0.00	0	37,112	0	37,112	0.00	0	0	0	0
DP 3004 - Hospice and Home Therapy	22	0.00	0	204,000	0	204,000	0.00	0	204,000	0	204,000
DP 3203 - Annualize the Cost of FY 2005 Waiver Expansion	22	0.00	468,386	0	1,130,746	1,599,132	0.00	478,460	0	1,120,672	1,599,132
DP 3607 - Meals On Wheels (Restricted/OTO)	22	0.00	567,000	0	0	567,000	0.00	567,000	0	0	567,000
DP 3608 - In-home Care Giver Serivces (Biennial/Restricted/OTO)	22	0.00	600,000	0	0	600,000	0.00	0	0	0	0
DP 3609 - Direct Care Worker Wage Increase	22	0.00	1,000,000	3,000,000	9,656,538	13,656,538	0.00	0	0	0	0
DP 3620 - Veterans' Long-Term Health Care Needs Study	22	0.00	0	50,000	0	50,000	0.00	0	0	0	0
DP 3705 - Provider Rate Increase-Nursing Home/Comm Svrs	22	0.00	991,877	991,878	4,789,051	6,772,806	0.00	0	2,018,663	4,728,205	6,746,868
DP 3706 - Community Services HCBS Expansion	22	0.00	0	57,848	139,908	197,756	0.00	0	118,184	279,816	398,000
Total	0.00	\$4,297,632	\$4,704,086	\$17,402,796	\$26,404,514		0.00	\$1,273,457	\$3,388,428	\$8,530,851	\$13,192,736

DP 81 - Expand Community Based Services Waiver - The legislature accepted and increased the executive proposal to expand the home and community based waiver, which allows the division to provide Medicaid funded community services to persons who meet nursing home level of care standards. The original executive proposal provided services for about 50 persons in FY 2006 and 30 more persons in FY 2007. Additional funds added by the legislature will serve 22 more persons in FY 2006 (a total of 72) and 12 more persons in FY 2007 (a total of 112).

The legislature appropriated about \$4.3 million over the biennium, including \$0.8 million in state special revenue from I-149 funds, and \$0.5 million general fund to support growth in community services. The legislature accepted the legislative estimate of nursing home costs, which was lower than the revised executive estimate. The difference between the estimates was applied to expand the home and community based waiver.

DP 95 - Montana Veterans' Home Contingency Fund Line Item - The legislature approved the executive request to continue a restricted line item appropriation in HB 2 of \$250,000 state special revenue each year. This appropriation was authorized by the 2003 Legislature to allow for operation of the Montana Veterans' Home at a capacity to maximize the collection of federal revenue and private payments. The funds were fully expended in FY 2004.

The legislature added language to HB 2 that allows the Office of Budget and Program Planning to establish the appropriation if funds are necessary to operate the Montana Veterans' Home at the capacity necessary to maximize federal and private revenue.

DP 114 - Personal Assistance Base Restoration - The legislature approved the executive request for \$1.5 million over the biennium, including about \$0.5 million general fund, to support personal care providers and, to a lesser extent, direct care wages for caregivers at the FY 2005 funding level. The 2003 Legislature used a one-time diversion from changes made to state special revenue corporation tax (water's edge corporation tax) through HB 721 to provide such services and payments during the 2005 biennium. After June 30, 2005, this source of revenue will be deposited to the general fund.

DP 116 - Montana Veterans' Home Replacement Vehicles - The legislature approved \$85,000 of cigarette tax state special revenue in FY 2006 to provide funding for the Montana Veterans' Home in Columbia Falls to replace 4 vehicles: 2 vans that provide transportation for staff and clients, and 2 trucks used on the facility grounds.

DP 118 - Eastern Montana Veterans' Home Flooring - The legislature approved the executive request for \$37,112 from cigarette tax state special revenue to fund replacement of several areas of flooring at the Eastern Montana Veterans' Home in Glendive.

DP 3004 - Hospice and Home Therapy - The legislature accepted the executive request to add \$408,000 in I-149 tobacco tax state special revenue funds over the biennium to continue Medicaid hospice and home therapy at the level of the 2005 biennium. During the 2005 biennium, these services were funded through a one-time diversion of tobacco settlement funds authorized in 17-6-606, MCA (SB 485).

DP 3203 - Annualize the Cost of FY 2005 Waiver Expansion - The legislature accepted the executive proposal to annualize the waiver expansion implemented in December 2004, when the division moved 76 persons from nursing homes into community services. The cost of this proposal totals about \$3.2 million over the biennium, including \$0.9 million general fund. The executive budget did not originally include a separate decision point for the waiver expansion because it was implemented in December 2004 after the executive budget was final. The legislature wanted to ensure that appropriations for the 2007 biennium were structured to reflect community services levels funded by the legislature.

DP 3607 - Meals On Wheels (Restricted/OTO) - The legislature approved the executive request for \$257,000 general fund each year of the biennium and added another \$620,000 general fund over the biennium above the executive request for the Meals on Wheels program. The appropriation is restricted, and designated as one-time-only.

This action restores and increases funding that was removed by the 2003 Legislature and was later temporarily restored by the Governor during FY 2004 with federal funds from Jobs and Growth Tax Relief Reconciliation Act. These funds will be used to support programs administered by locally based Area Agencies on Aging such as Meals on Wheels.

DP 3608 - In-home Caregiver Services (Biennial/Restricted/OTO) - The legislature added \$600,000 general fund over the biennium to support in-home caregiver services. The appropriation is restricted, biennial, and designated as one-time-only. The legislature added language to HB 2 that appropriation be used to contract with local providers and not expended as Medicaid matching funds. The appropriation is contingent on the expenditure limitation in 17-8-106, MCA being met or modified.

DP 3609 - Direct Care Worker Wage Increase - The legislature added \$4.0 million state matching funds and nearly \$10 million in federal Medicaid funds over the biennium for direct care worker wage increases, which includes \$2.6 million general fund and \$1.4 million in cigarette tax revenue generated by I-149. The funds are to be used to raise the wages of direct care workers by 75 cents an hour in salary and 26 cents an hour in benefits. If the funds are insufficient to raise

wages and benefits by that amount, the lowest paid workers are to receive the largest wage increases. The legislature also required the department to document the initial wage rates compared to wage rates after the increase is implemented and to report its documentation and findings to the Legislative Finance Committee. The Senior and Long Term Care Division appropriation is contingent on implementation of this increase by July 15, 2005.

This appropriation is in addition to the amount included in DP 3705, which includes a 3 percent provider rate increase for nursing homes and community services providers and a direct care worker wage increase of 16 cents an hour with an increase of 5 cents an hour for benefits.

DP 3620 - Veterans' Long-Term Health Care Needs Study - The legislature appropriated \$50,000 cigarette tax state special revenue over the biennium for a study of long-term health care needs of veterans. The funds must be used for a study to evaluate the number of veterans by county and the types of services that are needed. In addition, the study must evaluate the current configurations of the veterans' homes. Results of the study must be presented to the Legislative Finance Committee by September 1, 2006. The legislature restricted the use of the appropriation to the study and made it a one time appropriation.

DP 3705 - Provider Rate Increase-Nursing Home/Community Services - The legislature accepted the executive proposal to fund nursing home and community services provider rate increases for senior and long term care services and approved \$3 million in I-149 state special revenue and \$9.5 million federal funds Medicaid matching funds over the biennium. In order to implement the executive policy to develop a reserve of \$25 million in I-149 funds prior to expenditure of the majority of appropriations from those funds, the legislature also added about \$1 million in general fund to start the provider rate increases July 1, 2005. The legislature added language making the main division appropriation for Senior and Long Term Care as well as two other divisions, contingent upon implementation and expenditure of the appropriation for this provider rate increase.

This appropriation is anticipated to be sufficient to fund:

A 3 percent rate increase for nursing homes and community services providers

A 16 cent an hour raise, plus benefits for direct care worker staff employed by these providers

DP 3706 - Community Services HCBS Expansion - The legislature accepted the executive proposal to fund an increase in home and community based services for senior and long term care. The legislature delayed implementation of the proposal until January 1, 2006. The expansion will add 20 service slots, which will provide services to about 26 additional persons. The legislature added about \$180,000 in state special I-149 funds and about \$400,000 in federal Medicaid funds over the biennium

Language

The legislature approved the following language for inclusion in HB2:

“Senior and Long Term Care Division includes funds to address the difficulty in recruitment and retention of direct care staff at the Montana Veterans’ Home. The legislature directs the department to aggressively pursue options to resolve the problem of recruitment and retention of staff for the Montana Veterans’ Home, including consideration of such options as moving to pay plan 20, innovative education plans to promote advancement of staff, and partnership with the university system to provide local education opportunities for direct care staff. The department shall present its plan to resolve this issue to the Legislative Finance Committee by September 1, 2005, with a follow-up report on progress toward resolution of the problem of recruitment and retention of direct care staff for the Montana Veterans’ Home by September 1, 2006.

The appropriation in Montana Veterans' Home Contingency may be established subject to a determination by the Office of Budget and Program Planning that federal and private revenue available from federal special revenue and private payment state special revenue appropriations in fiscal year 2006 or fiscal year 2007 are insufficient to operate the homes at capacity to maximize collection of federal and private payments. The office of budget and program planning shall notify the legislative finance committee if it determines that the conditions are met and when the appropriation becomes effective.

County Nursing Home IGT may be used only to make one-time payments to nursing homes based on the number of Medicaid services provided. State special revenue in County Nursing Home IGT may be expended only after the office of budget and program planning has certified that the department has received at least \$1.6 million each year from counties participating in the intergovernmental transfer program for nursing homes.

Children's Mental Health Increase (Biennial/Restricted) and Direct Care Worker Wage Increase (Biennial/Restricted) must be used for direct-care worker wage increases. The department shall provide documentation showing that these funds are used solely for direct-care worker wage increases. The documentation must include initial wage rates, wage rates after the rate increases have been applied, and wage rates every 6 months after the rate increases have been granted. The legislature intends that direct-care salaries be raised 75 cents an hour and that benefits be raised 26 cents an hour. If the appropriation is insufficient to cover the full amount of intended increases, the lowest paid direct-care worker wage rates must be increased first. The department may also apply funds approved by the legislature to provide a 6% rate increase for children's mental health providers in fiscal year 2006 if funds in item [children's mental health rate increase] are insufficient to raise direct-care worker wage rates by the intended amount. The department shall prepare a report summarizing initial direct-care wages paid by July 1, 2005, for the members of the 2005 legislative joint appropriations subcommittee on health and human services, and shall report again by July 1, 2006, and January 1, 2007, showing direct-care wages paid at those points in time.

Funds in In-home Caregiver Services (Biennial/Restricted/OTO) may be used only to contract with local agencies for assistance to in-home caregivers. Funds in item In-home Caregiver Services (Biennial/Restricted/OTO) may not be used for state matching funds for medicaid-funded services.

Funding in Study of Veterans' Long-Term Health Care Needs (Biennial/Restricted/OTO) may be used by the department only to perform an analysis related to veterans' long-term care needs. The funds must be used to determine demographics of the Montana veterans' population, including the number and age of veterans in each county and the type of long-term care needs of the population. The long-term care assessment for veterans must include evaluation of the need for nursing home, domiciliary, and Alzheimer services as well as various types of community and in-home care that are needed. The study must also evaluate existing veterans' home services and configuration of those services with respect to the needs identified. The department shall provide the results of the study to the legislative finance committee by September 1, 2006."